

# The Pensions Authority update and outlook

John Gethin  
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# Introduction

John Gethin

- Director at The Pensions Authority
- Former Director of KBC Insurance
- Career experience Aviva, AIB, Irish Life



# What I'll talk about

- What's happened this year
  - Defined Benefit
  - Consolidation
  - Master Trusts
  - PRSAs
  - Forward-looking risk-based supervision
- What's happening right now
- What's happening next

What's happened this year

# Defined benefit

	2013	2018	2023
<b>Number of schemes</b>	766	592	480
<b>Liabilities</b>	€58.4 bn.	€61.1 bn.	€49.4 bn.
<b>% retired</b>	55%	59%	61%
<b>% active</b>	27%	20%	19%
<b>% deferred</b>	18%	21%	20%
<b>Assets</b>	€51.2 bn.	€64.7 bn.	€64.8 bn.
<b>Meeting FS</b>	316	444	472
<b>Surplus</b>	€1.9 bn.	€6.5 bn.	€15.3 bn.
<b>Not meeting FS</b>	450	148	8
<b>Deficit</b>	€9.1 bn.	€2.9 bn.	-

# Consolidation

<b>PDR data</b>	<b>Non-derogated OMA</b> s	<b>Group schemes</b>	<b>Derogated OMA</b> s
<b>1 January 2023</b>	<b>18,500</b>	<b>17,500</b>	<b>123,000</b>
1 April 2023	17,915	16,677	119,772
1 July 2023	11,714	15,995	113,835
1 October 2023	4,107	15,250	110,396
1 January 2024	2,904	14,149	107,338
1 April 2024	2,153	13,463	105,069
1 July 2024	1,585	13,007	103,128
<b>1 October 2024</b>	<b>1,528</b>	<b>12,569</b>	<b>99,651</b>

# Master Trusts

## 17 Master Trusts

### Consolidation

#### Increase in:

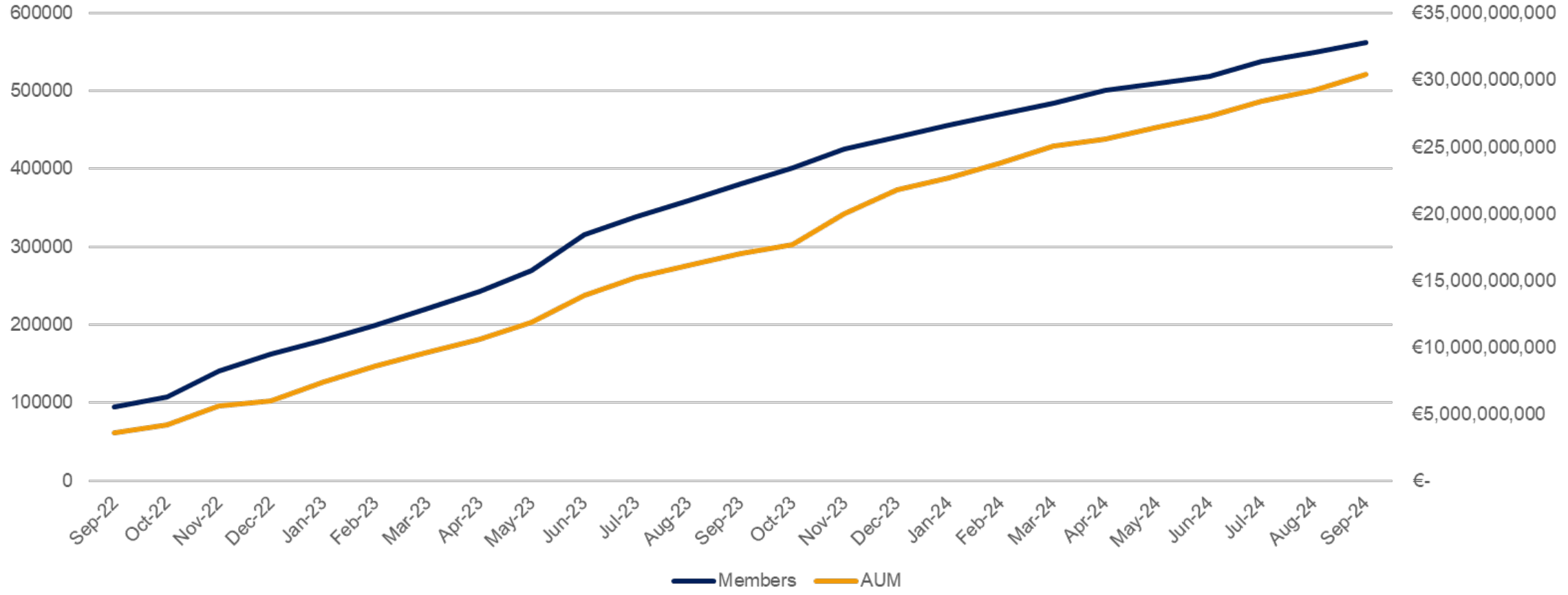
- members 562k
- assets under management (AUM) €30.4bn
- participating employers 27k

#### Trustee engagement:

- Several master trusts are being reviewed this year as part of the Supervisory Review Process (SRP) process.
- The Authority meets with all master trust boards on an annual basis.

# Master Trusts

All MTs - Members and AUM

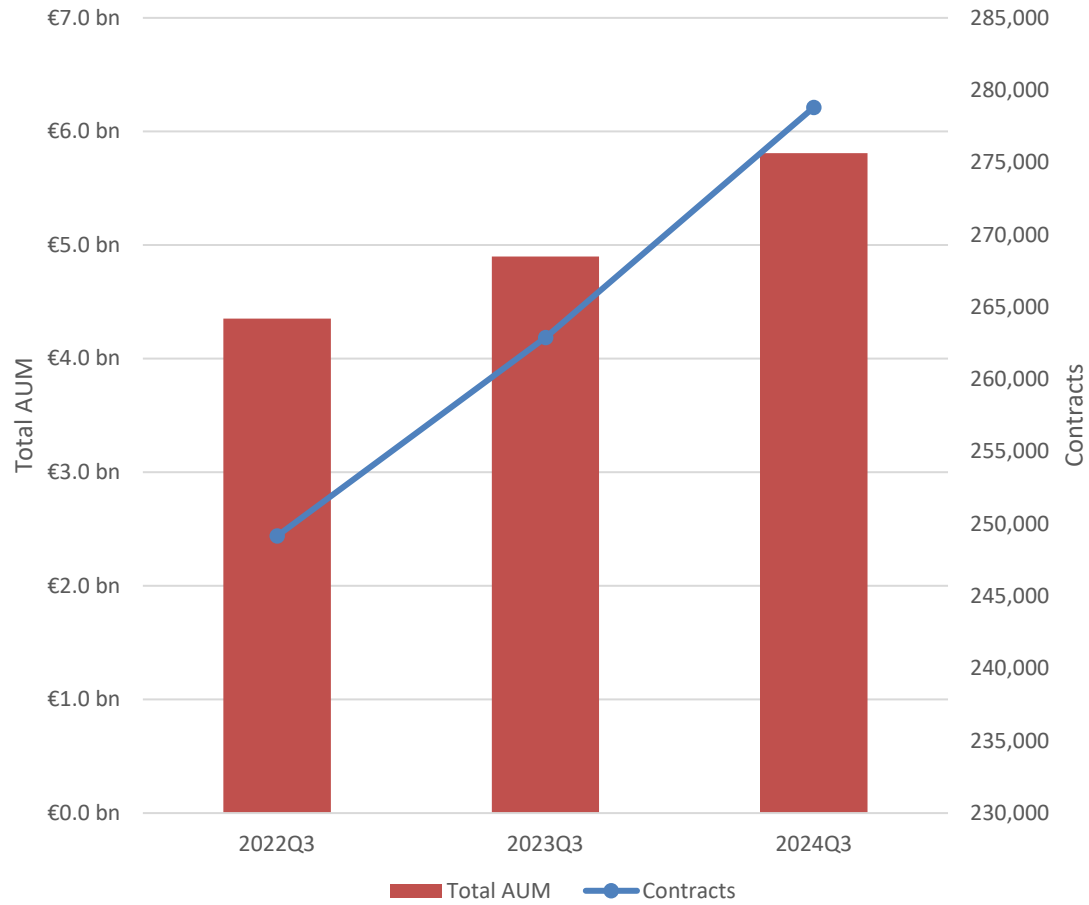


Data as of September 2024

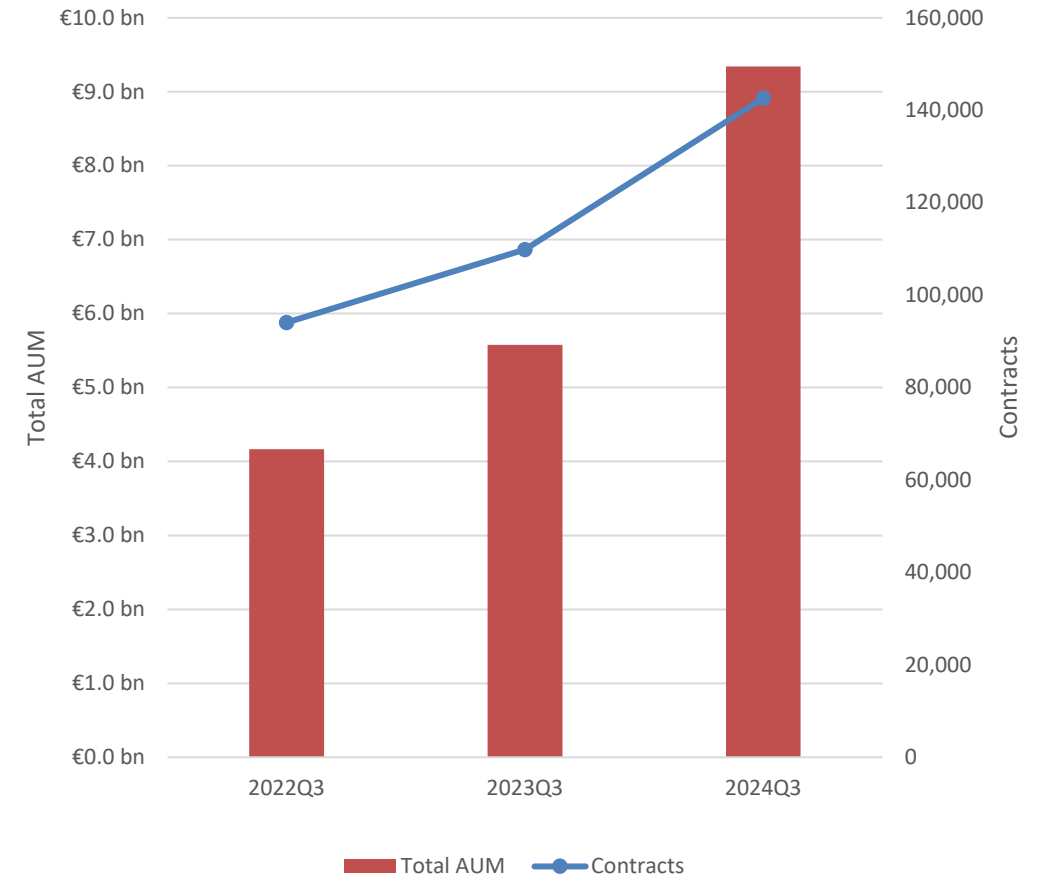


# PRSAs

## Standard PRSA



## Non-Standard PRSA



# Forward Looking Risk Based Supervision

- IORP II transposition raised the governance requirements for trustees of all IORPs
- Obliges the Pensions Authority to supervise on a forward-looking risk basis
- The Authority published a code of practice for trustees in November 2021
- Supervisory Review Process (SRP) commenced this year – 6 Master Trusts, 1 DC scheme & 1 DB scheme

# What's Happening Now

# PRSAs

- Authority considering the results of the recent consultation on a revised code of conduct for PRSA providers.
- Draft code includes:
  - Section 1: Co-operation (existing code)
  - Section 2: Conflicts of interest
  - Section 3: Risk warning
  - Section 4: Product oversight and governance

# Planning

- Finalising the Authority's Statement of Strategy 2025-2029
- Embedding of Supervisory Review Process
- Preparation for DORA
- Industry engagement – see next slide...

# Industry Engagement

- Non-derogated OMAs moved to MTs or PRSAs
  - Work through the book of business now
  - Action to avoid congestion
- Feedback to date
  - Challenge of unresponsive schemes
  - No major issues caused by investment
  - Deal with complicated assets (with-profits and guaranteed annuities)
  - Dealing with administration congestion re the wind-up of standalone trusts.

# What's Happening Next

# What's happening next

- The Authority will be publishing our Statement of Strategy 2025-2029
- Communication of SRP lessons & increased number of SRPs
- EU developments: DORA, SFDR...more to come
- Long-term data strategy & development of Authority's IT systems
- Continue to drive consolidation
- Authorisation agenda for Master Trusts and single employer trusts
- In scheme drawdown



# What's happening next –VFM/CTS

- Value for money / Cost transparency standard (CTS)
- The IAPF is supporting and facilitating the introduction of the cost transparency standard (CTS) in Ireland with the full support of the Department of Social Protection.
- Value for money is something we look for in the SRP.
- Through its supervisory activities, the Authority will closely monitor the success of the voluntary regime. However, in the longer term if cost disclosure and comparability are not adequate, the Authority will seek legislative change.

# What's happening next - DORA

- The Authority issued an information note on the Regulation in July 2024.
- The ultimate responsibility will be with the trustees for the scheme's compliance.
- The Authority will publish further information/clarifications on website.
- We are currently looking at the mechanism for how schemes will report to us as the competent Authority.
- We understand that a question on the definition of 'ICT services' under DORA is under review and may be answered through the [ESAs Joint Q&A register](#)

# What's happening next -AE

- Automatic Enrolment Retirement Savings Act 2024 was signed into law in July with a planned commencement date 30 Sept 2025.
- Act allows further rules to be set via regulations regarding:
  - Standards for qualifying arrangements (exempted employments)
  - Retirement benefits and options
  - Form and content of annual participant statements
  - Participant fees payable to NAERSA (governing body) for investment charges and other costs. Minister can permit costs to be met from public funds to some degree.
  - Changes to age limits and earnings threshold
- Legislation review within 5 years of commencement

# AE - Role of Pensions Authority

- Annual supervisory reports: PA must report on review of performance and governance arrangements of National Automatic Enrolment Retirement Savings Authority (NAERSA), and appropriateness of NAERSA fees and 'PBS' information provisions
- Advising NAERSA on minimum standards for 'qualifying' arrangements ('exempt employments')
- PA can recommend the removal of governing Board members in certain circumstances, e.g. significant conflicts
- PA collects fees and annual compliance statements of NAERSA

THANK YOU